

AFFIDAVIT OF LETICIA WAE LZ

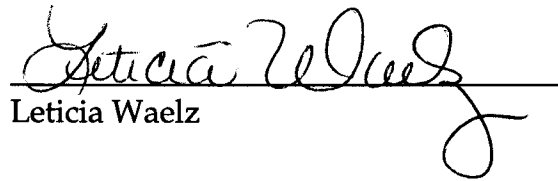
I, Leticia Waelz hereby affirm and state:

1. I am at least 18 years of age as of the date of this Affidavit.
2. I am currently employed by UBS Financial Services Inc. (formerly PaineWebber Incorporated, a wholly owned subsidiary of PaineWebber Group Inc.).
3. My current business address is: 1000 Harbor Boulevard, Weehawken, NJ 07086-6791.
4. Group long term disability benefits were previously provided to PaineWebber Group Inc. under Reliance Standard Life Insurance Company group long term disability policy number LSC097,613 (the "Reliance Standard policy").
5. While the Reliance Standard policy was in effect, I was employed as a Manager in the Benefits Department of PaineWebber Incorporated, which, among other functions, assisted employees of the subsidiary companies of PaineWebber Group Inc., including but not limited to Correspondent Services Corporation, with questions relating to long term disability benefits
6. While the Reliance Standard policy was in effect, Reliance Standard delivered a booklet titled "Group Long Term Disability Insurance Program" to PaineWebber Group Inc. A true and correct copy of the booklet is attached hereto as Exhibit "A."
7. The booklet was delivered to PaineWebber Group Inc. and was in the possession of the Benefits Department of PaineWebber Incorporated, prior to January 15, 1999.

8. The booklet contained the "Certificate of Insurance." See Exhibit "A."


9. The booklet was maintained by PaineWebber Group Inc. and was available to all employees of the subsidiary companies of PaineWebber Group Inc., including but not limited to Correspondent Services Corporation, who requested it.

10. The booklet was referred to by the Benefits Department when answering employee questions regarding coverage under the Reliance Standard policy.

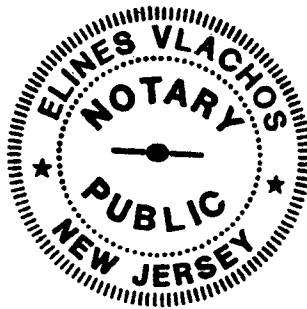

Leticia Waelz

Sworn and Subscribed before

me on this 23rd day of Feb., 200 .


NOTARY PUBLIC

ELINES VLACHOS
ID # 2228454
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 8/12/2006



**EXHIBIT "A" TO
AFFIDAVIT OF LETICIA WAELEZ**

**GROUP LONG TERM DISABILITY
INSURANCE PROGRAM**

PaineWebber Group Inc.

CERTIFICATE OF INSURANCE

We certify that you (provided you belong to a class described on the Schedule of Benefits and your completed enrollment card is attached) are insured, for the benefits which apply to your class, under Group Policy No. LSC 97,200 issued to The RSL Group and Blanket Insurance Trust, the Policyholder, covering eligible persons of PaineWebber Group Inc. (herein called the Participating Unit), under Participating Unit No. LSC 097613.

This Certificate is not a contract of insurance. It contains only the major terms of insurance coverage and payment of benefits under the Policy. It replaces all certificates that may have been issued to you earlier.


SECRETARY


PRESIDENT

GROUP LONG TERM DISABILITY INSURANCE CERTIFICATE

This Long Term Disability Certificate amends all previous Long Term Disability Certificates and is dated January 16, 2001.

LRS-6570 Ed. 2/83

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SCHEDULE OF BENEFITS

EFFECTIVE DATE: January 1, 1994, as amended in the Policy through April 1, 1999

ELIGIBLE CLASSES: Each active, Full-time and regular Part-time employee earning less than \$250,000 per year in any calendar year of employment with PaineWebber Incorporated, except any person employed on a temporary or seasonal basis.

YOUR EFFECTIVE DATE: The day you are eligible.

YOUR REINSTATEMENT: not applicable

LONG TERM DISABILITY BENEFIT

ELIMINATION PERIOD: 180 consecutive days of Total Disability.

MONTHLY BENEFIT: The Monthly Benefit is an amount equal to 60% of Covered Monthly Earnings. To figure this benefit amount payable:

- (1) multiply your Covered Monthly Earnings by the benefit percentage(s) shown above;
- (2) take the lesser of the amount:
 - (a) of step (1) above; or
 - (b) the Maximum Monthly Benefit shown as follows; and
- (3) subtract Other Income Benefits, shown as follows, from step (2), above.

We will pay at least the Minimum Monthly Benefit shown as follows.

OTHER INCOME BENEFITS: Other Income Benefits are benefits resulting from the same Total Disability for which a Monthly Benefit is payable under the Policy. These Other Income Benefits are:

- (1) disability income benefits you are eligible to receive under any group insurance plan(s);
- (2) disability income benefits you are eligible to receive under any governmental retirement system, except benefits payable under a federal government employee pension benefit;
- (3) disability income benefits you are eligible to receive under:
 - (a) Worker's Compensation Laws;
 - (b) occupational disease law;
 - (c) any other laws of like intent as (a) or (b) above; and
 - (d) any compulsory benefit law;

- (4) any of the following that you are entitled to receive from the Participating Unit:
 - (a) wages, excluding the amount allowable under the Rehabilitation Provision; and
 - (b) commissions or monies, including vested renewal commissions, but, excluding commissions or monies that you earned prior to Total Disability which are paid after Total Disability has begun;
- (5) that part of disability or Retirement Benefits paid for by the Participating Unit which you are eligible to receive under a group retirement plan; and
- (6) disability or Retirement Benefits under the United States Social Security Act, the Canadian pension plans, federal or provincial plans, or any similar law for which:
 - (a) you are eligible to receive because of your Total Disability or eligibility for Retirement Benefits; and
 - (b) your dependents are eligible to receive due to (a) above.

Disability and early Retirement Benefits will be offset only if such benefits are elected by you or do not reduce the amount of your accrued normal Retirement Benefits then funded.

Retirement Benefits under number 6 above will not apply to disabilities which begin after age 70 if you are already receiving Social Security Retirement Benefits while continuing to work beyond age 70.

MINIMUM MONTHLY BENEFIT: In no event will the Monthly Benefit payable to you be less than \$50.00

MAXIMUM MONTHLY BENEFIT: \$12,500.00 (this is equal to a maximum Covered Monthly Earnings of \$20,833.00).

MAXIMUM DURATION OF BENEFITS: Benefits will not accrue beyond the longer of: the Duration of Benefits; or Normal Retirement Age; specified below:

<u>Age at Disablement</u>	<u>Duration of Benefits (in years)</u>
61 or less	To Age 65
62	3-1/2
63	3
64	2-1/2
65	2
66	1-3/4
67	1-1/2
68	1-1/4
69 or more	1

OR

Normal Retirement Age as defined by the 1983 Amendments to the United States Social Security Act and determined by your year of birth, as follows:

<u>Year of Birth</u>	<u>Normal Retirement Age</u>
1937 or before	65 years
1938	65 years and 2 months
1939	65 years and 4 months
1940	65 years and 6 months
1941	65 years and 8 months
1942	65 years and 10 months
1943 thru 1954	66 years
1955	66 years and 2 months
1956	66 years and 4 months
1957	66 years and 6 months
1958	66 years and 8 months
1959	66 years and 10 months
1960 and after	67 years

CHANGES IN MONTHLY BENEFIT: Increases in the Monthly Benefit because of a change in age or class (if applicable) are effective on the January 1st coinciding with or next following the date of the change. You must be actively at work on the date of the increase. If you are not actively at work when the increase should take effect, the increase will take

- effect on the day after you have been actively at work for one full day.
- Decreases in the Monthly Benefit because of a change in age or class
- (if applicable) are effective on the January 1st coinciding with or next
- following the date of the change. Changes in the Monthly Benefit be-
- cause of a change in Earnings are effective as explained in the definition
- of Covered Monthly Earnings.

- CONTRIBUTIONS: You are required to contribute toward the cost of this
- insurance.
-

DEFINITIONS

"You", "your" and "yours" means a person who meets the Eligibility Requirements of the Policy and is enrolled for this insurance.

"We", "us" and "our" means Reliance Standard Life Insurance Company.

"Actively at Work" and "Active Work" mean actually performing on a Full-time or Part-time basis the material duties pertaining to your job in the place where and the manner in which the job is normally performed. This includes approved time off such as vacation, jury duty and funeral leave, but does not include time off as a result of an Injury or Sickness.

"Claimant" means you made a claim for benefits under the Policy for a loss covered by the Policy as a result of your Injury or Sickness.

"Covered Monthly Earnings" is equal to the monthly average of your prior three years earnings (or 1/12th of an annualization of your earnings for any partial year of service) with PaineWebber, subject to income tax withholding. It includes base pay, overtime, bonuses, commission, draw and any pre-tax contributions you made to the Savings Investment Plan (SIP), Income Advantage Plan (IAP) and the Medical Plan employee contributions. It does not include any amounts not considered wages subject to income tax withholding including, but not limited to the following: Employee Forgivable Loans (EFL), moving related expenses, trips, contests or other prizes, group term life imputed income, leased car and car allowances, and amounts realized by exercising certain stock options. In calculating your three year average earnings, only a maximum of \$250,000 will be considered for any one year.

For commissioned employees with less than one year of service, and whose prior employment was with a securities and investment firm, Covered Monthly Earnings will be equal to:

- (1) total earnings as reported on your prior employer's W-2*, divided by 12 (a copy of this W-2* must be on file with the Benefits Department) , or;
- (2) \$2,000.00.

*W-2 earnings will include base pay, bonus, commission, overtime and any pre-tax deferrals as defined above.

"Elimination Period" means a period of consecutive days of Total Disability, as shown on the Schedule of Benefits page, for which no benefit is payable. It begins on the first day of Total Disability.

Interruption Period: If, during the Elimination Period, you return to Active Work for less than 90 days, then the same or related Total Disability will be treated as continuous. Days that you are Actively at Work during this interruption period will not count towards the Elimination Period. This interruption of the Elimination Period will not apply to you if you become eligible under any other group long term disability insurance plan.

"Full-time" and "Regular Part-time" means locked-in to a regularly scheduled work week of at least 20 hours.

"Hospital" or "Institution" means a facility licensed to provide care and treatment for the condition causing your Total Disability.

"Injury" means bodily Injury resulting directly from an accident, independent of all other causes. The Injury must cause Total Disability which begins while your insurance coverage is in effect.

"Physician" means a duly licensed practitioner who is recognized by the law of the state in which treatment is received as qualified to treat the type of Injury or Sickness for which a claim is made. The Physician may not be you or a member of your immediate family.

"Pre-existing Condition" means any Sickness or Injury for which you received medical treatment, consultation, care or services, including diagnostic procedures, or took prescribed drugs or medicines, during the 3 months immediately prior to your effective date of insurance.

"Rehabilitative Employment" means work in any gainful occupation for which your training, education or experience will reasonably allow. The work must be supervised by a Physician or a licensed rehabilitation specialist approved by us. Rehabilitative Employment includes work performed while Partially Disabled, but does not include performing all the material duties of your regular occupation on a Full-time basis.

"Retirement Benefits" mean money which you are entitled to receive upon early or normal retirement or disability retirement under:

- (1) any plan of a state, county or municipal retirement system, if such pension benefits include any credit for employment with the Participating Unit;

- (2) Retirement Benefits under the United States Social Security Act of 1935, as amended, or under any similar plan or act; or
- (3) an employer's retirement plan where payments are made in a lump sum or periodically and do not represent contributions made by you.

Retirement Benefits do not include:

- (1) a federal government employee pension benefit;
- (2) a thrift plan;
- (3) a deferred compensation plan;
- (4) an individual retirement account (IRA);
- (5) a tax sheltered annuity (TSA);
- (6) a stock ownership plan; or
- (7) a profit sharing plan.

"Sickness" means illness or disease causing Total Disability which begins while your insurance coverage is in effect. Sickness includes pregnancy, childbirth, miscarriage or abortion, or any complications therefrom.

"Totally Disabled" and "Total Disability" mean, that as a result of an Injury or Sickness:

- (1) during the Elimination Period and for the first 24 months for which a Monthly Benefit is payable, you cannot perform the material duties of your regular occupation;
 - (a) "Partially Disabled" and "Partial Disability" mean that as a result of an Injury or Sickness you are capable of performing the material duties of your regular occupation on a part-time basis or some of the material duties on a full-time basis. If you are Partially Disabled you will be considered Totally Disabled, except during the Elimination Period;
 - (b) "Residual Disability" means being Partially Disabled during the Elimination Period. Residual Disability will be considered Total Disability; and
- (2) after a Monthly Benefit has been paid for 24 months, you cannot perform the material duties of any occupation. Any occupation is one that your education, training or experience will reasonably allow. We consider you Totally Disabled if due to an Injury or Sickness you are capable of only performing the material duties on a part-time basis or part of the material duties on a Full-time basis.

- If you are employed by the Participating Unit and require a license for your occupation, the loss of such license for any reason does not in and of itself constitute "Total Disability".

- However, if you are employed by the Participating Unit as a licensed pilot or as a crew member, "Total Disability" means that, due to an Injury or
- Sickness, you cannot perform the material duties of any gainful occupation for which your education, training or experience will reasonably allow.
- The loss of a pilot's authorization to fly for any reason does not in and of itself constitute "Total Disability".
-

GENERAL PROVISIONS

TIME LIMIT ON CERTAIN DEFENSES: After the Policy has been in force for two (2) years from its effective date, no statement made by you on a written application for insurance shall be used to reduce or deny a claim after your insurance coverage, with respect to which claim has been made, has been in effect for two (2) years.

CLERICAL ERROR: Clerical errors in connection with the Policy or delays in keeping records for the Policy, whether by the Policyholder, the Plan Administrator, the Participating Unit, or us:

- (1) will not terminate insurance that would otherwise have been effective; and
- (2) will not continue insurance that would otherwise have ceased or should not have been in effect.

If appropriate, a fair adjustment of premium will be made to correct a clerical error.

NOT IN LIEU OF WORKER'S COMPENSATION: The Policy is not a Worker's Compensation Policy. It does not provide Worker's Compensation benefits.

WAIVER OF PREMIUM: No premium is due us while you are receiving Monthly Benefits from us. Once Monthly Benefits cease due to the end of your Total Disability, premium payments must begin again if insurance is to continue.

CLAIMS PROVISIONS

NOTICE OF CLAIM: Written notice must be given to us within thirty-one (31) days after a Total Disability covered by the Policy occurs, or as soon as reasonably possible. The notice should be sent to us at our Administrative Office or to our authorized agent. The notice should include your name, the Participating Unit's name, the Policy Number and the Participating Unit's Number.

CLAIM FORMS: When we receive the notice of claim, we will send you the claim forms to file with us. We will send them within fifteen (15) days after we receive notice. If we do not, then the proof of Total Disability will be met by giving us a written statement of the type and extent of the Total Disability. The statement must be sent within ninety (90) days after the loss began.

WRITTEN PROOF OF TOTAL DISABILITY: For any Total Disability covered by the Policy, written proof must be sent to us within ninety (90) days after the Total Disability occurs. If written proof is not given in that time, the claim will not be invalidated nor reduced if it is shown that written proof was given as soon as was reasonably possible. In any event, proof must be given within one (1) year after the Total Disability occurs, unless you are legally incapable of doing so.

PAYMENT OF CLAIMS: When we receive written proof of Total Disability covered by the Policy, we will pay any benefits due. Benefits that provide for periodic payment will be paid for each period as we become liable.

We will pay benefits to you, if living, or else to your estate.

If you have died and we have not paid all benefits due, we may pay up to \$1,000.00 to any relative by blood or marriage, or to the executor or administrator of your estate. The payment will only be made to persons entitled to it. An expense incurred as a result of your last illness, death or burial will entitle a person to this payment. The payments will cease when a valid claim is made for the benefit. We will not be liable for any payment we have made in good faith.

Reliance Standard Life Insurance Company shall serve as the claims review fiduciary with respect to the insurance certificate and the Plan. The claims review fiduciary has the discretionary authority to interpret the Plan and the insurance certificate and to determine eligibility for benefits.

Decisions by the claims review fiduciary shall be complete, final and binding on all parties.

ARBITRATION OF CLAIMS: Any claim or dispute arising from or relating to our determination regarding your Total Disability may be settled by arbitration when agreed to by you and us in accordance with the Rules for Health and Accident Claims of the American Arbitration Association or by any other method agreeable to you and us. In the case of a claim under an Employee Retirement Income Security Act (hereinafter referred to as ERISA) Plan, your ERISA claim appeal remedies, if applicable, must be exhausted before the claim may be submitted to arbitration. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction over such awards.

Unless otherwise agreed to by you and us, any such award will be binding on you and us for a period of twelve (12) months after it is rendered assuming that the award is not based on fraudulent information and you continue to be Totally Disabled. At the end of such twelve (12) month period, the issue of Total Disability may again be submitted to arbitration in accordance with this provision.

Any costs of said arbitration proceedings levied by the American Arbitration Association or the organization or person(s) conducting the proceedings will be paid by us.

PHYSICAL EXAMINATION AND AUTOPSY: We will, at our expense, have the right to have a Claimant interviewed and/or examined:

- (1) physically;
- (2) psychologically; and/or
- (3) psychiatrically;

to determine the existence of any Total Disability which is the basis for a claim. This right may be used as often as it is reasonably required while a claim is pending. We can have an autopsy made unless prohibited by law.

LEGAL ACTIONS: No legal action may be brought against us to recover on the Policy within sixty (60) days after written proof of loss has been given as required by the Policy. No action may be brought after three (3) years (Kansas, five (5) years; South Carolina, six (6) years) from the time written proof of loss is received.

ELIGIBILITY, EFFECTIVE DATE AND TERMINATION

- **ELIGIBILITY REQUIREMENTS:** You are eligible for insurance under the Policy if you are a member of an Eligible Class as shown on the Schedule of Benefits page.

- **EFFECTIVE DATE OF YOUR INSURANCE:** If the Participating Unit pays the entire premium due for you, your insurance will go into effect on Your Effective Date, as shown on the Schedule of Benefits page.

- If you pay a part of the premium, you must apply in writing for the insurance to go into effect. You will become insured on the latest of:

- (1) Your Effective Date, as shown on the Schedule of Benefits page, if you apply on or before that date;
- (2) on the date you apply, if you apply within thirty-one (31) days from the date you first met the Eligibility Requirements; or
- (3) on the date we approve any required proof of health acceptable to us. We require this proof if you apply:
 - (a) after thirty-one (31) days from the date you first met the Eligibility Requirements; or
 - (b) after you terminated this insurance but remained in an Eligible Class, as shown on the Schedule of Benefits page.

The insurance for you will not go into effect on a date you are not Actively at Work because of a Sickness or Injury. The insurance will go into effect after you are Actively at Work for one (1) full day in an Eligible Class, as shown on the Schedule of Benefits page.

TERMINATION OF YOUR INSURANCE: Your insurance will terminate on the first of the following to occur:

- (1) the date the Policy terminates;
- (2) the date you cease to meet the Eligibility Requirements;
- (3) the end of the period for which premium has been paid for you;
- (4) the date the Participating Unit ceases to be a Participating Unit under the Policy; or
- (5) the date you enter military service (not including Reserve or National Guard).

YOUR REINSTATEMENT: If you are terminated, your insurance may be reinstated if you return to Active Work with the Participating Unit within the period of time as shown on the Schedule of Benefits page.

You must also be a member of an Eligible Class, as shown on the Schedule of Benefits page, and have been:

- (1) on a leave of absence approved by the Participating Unit; or
- (2) on temporary lay-off.

You will not be required to fulfill the Eligibility Requirements of the Policy again. The insurance will go into effect after you return to Active Work for one (1) full day. If you return after having resigned or having been discharged, you will be required to fulfill the Eligibility Requirements of the Policy again. If you return after terminating insurance at your request or for failure to pay premium when due, proof of health acceptable to us must be submitted before you may be reinstated.

BENEFIT PROVISIONS

INSURING CLAUSE: We will pay a Monthly Benefit if you:

- (1) are Totally Disabled as the result of a Sickness or Injury covered by the Policy;
- (2) are under the regular care of a Physician;
- (3) have completed the Elimination Period; and
- (4) submit satisfactory proof of Total Disability to us.

Please refer to the Schedule of Benefits for the MONTHLY BENEFIT and OTHER INCOME BENEFITS.

Benefits you are entitled to receive under OTHER INCOME BENEFITS will be estimated if the benefits:

- (1) have not been applied for; or
- (2) have not been awarded; and
- (3) have been denied and the denial is being appealed.

The Monthly Benefit will be reduced by the estimated amount. If benefits have been estimated, the Monthly Benefit will be adjusted when we receive proof:

- (1) of the amount awarded; or
- (2) that benefits have been denied and the denial cannot be further appealed.

If we have underpaid the Monthly Benefit for any reason, we will make a lump sum payment. If we have overpaid the Monthly Benefit for any reason, the overpayment must be repaid to us. At our option, we may reduce the Monthly Benefit or ask for a lump sum refund. If we reduce the Monthly Benefit, the Minimum Monthly Benefit, if any, as shown on the Schedule of Benefits page, would not apply.

For each day of a period of Total Disability less than a full month, the amount payable will be 1/30th of the Monthly Benefit.

COST OF LIVING FREEZE: After the initial deduction for any Other Income Benefits, the Monthly Benefit will not be further reduced due to any cost of living increases payable under these Other Income Benefits.

LUMP SUM PAYMENTS: If Other Income Benefits are paid in a lump sum, the sum will be broken down to a monthly amount for the period of time the sum is payable. If no period of time is given, the sum will be broken down to a monthly amount for the period of time we expect you to be disabled based on actuarial tables of disabled lives.

TERMINATION OF MONTHLY BENEFIT: The Monthly Benefit will stop on the earliest of:

- (1) the date you cease to be Totally Disabled;
- (2) the date you die;
- (3) the Maximum Duration of Benefits, as shown on the Schedule of Benefits page, has ended; or
- (4) the date you fail to furnish the required proof of Total Disability.

REHABILITATION PROVISION: If, during a period of Total Disability for which a Monthly Benefit is payable, you accept Rehabilitative Employment, then we will continue to pay the Monthly Benefit less 50% of any of the money received from this Rehabilitative Employment. If you are entitled to Substance Abuse Benefits, Rehabilitative Employment Benefits will not be available for Total Disability as a result of such Substance Abuse.

RECURRENT DISABILITY: If, after a period of Total Disability for which benefits are payable, you return to Active Work for at least six (6) consecutive months, any recurrent Total Disability for the same or related cause will be part of a new period of Total Disability. A new Elimination Period must be completed before any further Monthly Benefits are payable.

If you return to Active Work for less than six (6) months, a recurrent Total Disability for a same or related cause will be part of the same Total Disability. A new Elimination Period is not required. Our liability for the entire period will be subject to the terms of the Policy for the original period of Total Disability.

If you become eligible for insurance coverage under any other group long term disability insurance plan, then this recurrent disability section will not apply to you.

EXCLUSIONS

-
- We will not pay a Monthly Benefit for any Total Disability caused by:

- (1) an act of war, declared or undeclared;
- (2) an intentionally self-inflicted Injury;
- (3) your committing a felony; or
- (4) an Injury or Sickness that occurs while you are confined in
- any penal or correctional institution.

LIMITATIONS

MENTAL OR NERVOUS DISORDERS: Monthly Benefits for Total Disability caused by or contributed to by mental or nervous disorders will not be payable beyond an aggregate lifetime maximum duration of twenty-four (24) months unless you are in a Hospital or Institution at the end of the twenty-four (24) month period. The Monthly Benefit will be payable while so confined, but not beyond the Maximum Duration of Benefits.

If you are confined in a Hospital or Institution and:

- (1) Total Disability continues beyond discharge;
- (2) the confinement was during a period of Total Disability; and
- (3) the period of confinement was for at least fourteen (14) consecutive days;

then upon discharge, Monthly Benefits will be payable for the greater of:

- (1) the unused portion of the twenty-four (24) month period; or
- (2) ninety (90) days;

but in no event beyond the Maximum Duration of Benefits, as shown on the Schedule of Benefits page.

Mental or Nervous Disorders are defined to include disorders which are diagnosed to include a condition such as:

- (1) bipolar disorder (manic depressive syndrome);
- (2) schizophrenia;
- (3) delusional (paranoid) disorders;
- (4) psychotic disorders;
- (5) depressive disorders;
- (6) anxiety disorders;
- (7) somatoform disorders (psychosomatic illness);
- (8) eating disorders; or
- (9) mental illness.

SUBSTANCE ABUSE: Monthly Benefits for Total Disability due to alcoholism or drug addiction will be payable while you are a participant in a Substance Abuse Rehabilitation Program. The Monthly Benefit will not be payable beyond twenty-four (24) months.

If, during a period of Total Disability due to Substance Abuse for which a Monthly Benefit is payable, you are able to perform Rehabilitative Employment, the Monthly Benefit, less 50% of any of the money received from this Rehabilitative Employment will be paid until: (1) you are performing all the material duties of your regular occupation on a full-time basis; or (2) the end of twenty-four (24) consecutive months from the

- date that the Elimination Period is satisfied, whichever is earlier. All terms and conditions of the Rehabilitation Benefit will apply to Rehabilitative Employment due to Substance Abuse.

- "Substance Abuse" means the pattern of pathological use of a Substance which is characterized by:

- (1) impairments in social and/or occupational functioning;
- (2) debilitating physical condition;
- (3) inability to abstain from or reduce consumption of the Substance; or
- (4) the need for daily Substance use for adequate functioning.

"Substance" means alcohol and those drugs included on the Department of Health, Retardation and Hospitals' Substance Abuse list of addictive drugs, except tobacco and caffeine are excluded.

A Substance Abuse Rehabilitation Program means a program supervised by a Physician or a licensed rehabilitation specialist approved by us.

PRE-EXISTING CONDITIONS: Benefits will not be paid for a Total Disability:

- (1) caused by;
- (2) contributed to by; or
- (3) resulting from;

a Pre-existing Condition unless you have been Actively at Work for one (1) full day following the end of 12 consecutive months from the date you became insured.

CONTINUITY OF INSURANCE COVERAGE PROVISION

Continuity of insurance coverage will be allowed for you if you would not be entitled to full coverage under the Policy upon changing carriers due to:

- (1) failure to be Actively at Work on the effective date of the Policy with respect to the Participating Unit due to Injury or Sickness; or
- (2) a Pre-existing Conditions Limitation.

This provision will apply to you only if you were insured under:

- (1) the prior carrier's policy on its termination date; or
- (2) any policy of a later acquired employer unit which changed insurance carriers.

EFFECT OF FAILURE TO BE ACTIVELY AT WORK: This provision allows insurance to be granted under the Policy to you if you were Totally Disabled on or after the effective date of the Policy with respect to the Participating Unit.

The insurance will be that provided under the prior carrier's policy. This insurance is subject to premium payment. The insurance we will pay is the benefit the prior carrier would have paid under their policy reduced by any amount for which the prior carrier is liable.

Insurance provided under this provision will end upon the earliest of:

- (1) the date the insurance would end according to the Termination of Your Insurance provision;
- (2) the date you return to Active Work and become insured under the Policy; or
- (3) the end of any period of extension or accrued liability under the prior carrier's policy.

EFFECT OF A PRE-EXISTING CONDITIONS LIMITATION: The following will apply to you if you are Actively at Work and insured under the Policy when a Pre-existing Condition is involved:

- (1) if you have satisfied the Policy's Pre-existing Conditions Limitation, then you will be paid according to the Policy;
- (2) if you cannot satisfy the Policy's Pre-existing Conditions Limitation, we will then apply the prior carrier's Pre-existing Conditions Limitation, giving consideration towards continuous time insured under both policies, then you will be paid according to the prior carrier's policy; or
- (3) if you cannot satisfy the Pre-existing Conditions Limitation of:

- (a) the Policy; and
 - (b) that of the prior carrier;
- then no benefit will be paid.

- When you have satisfied the Pre-existing Conditions Limitation under the
- Policy, even if during a period of Recurrent Disability, then the Monthly
- Benefit will be paid according to the Policy.
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SPECIFIC INDEMNITY BENEFIT

If you suffer any one of the Losses listed below from an accident resulting in an Injury, we will pay a guaranteed minimum number of Monthly Benefit payments, as shown below. However:

- (1) the Loss must occur within one hundred and eighty (180) days; and
- (2) you must live past the Elimination Period.

<u>For Loss of:</u>	<u>Number of Monthly Benefit Payments:</u>
Both Hands	46 months
Both Feet	46 months
Entire Sight in Both Eyes	46 months
Hearing in Both Ears	46 months
Speech	46 months
One Hand and One Foot	46 months
One Hand and Entire Sight in One Eye	46 months
One Foot and Entire Sight in One Eye	46 months
One Arm	35 months
One Leg	35 months
One Hand	23 months
One Foot	23 months
Entire Sight in One Eye	15 months
Hearing in One Ear	15 months

Loss(es) with respect to:

- (1) hand or foot, means the complete severance through or above the wrist or ankle joint;
- (2) arm or leg, means the complete severance through or above the elbow or knee joint; or
- (3) sight, speech or hearing, means total and irrecoverable Loss thereof.

If more than one (1) Loss results from any one accident, payment will be made for the Loss for which the greatest number of Monthly Benefit payments is provided.

The amount payable is the Monthly Benefit, as shown on the Schedule of Benefits page, with no reduction from Other Income Benefits. The number of Monthly Benefit payments will not cease if you return to Active Work. If death occurs after we begin paying Monthly Benefits, but before the Specific Indemnity Benefit has been paid according to the above

- schedule, the balance remaining at time of death will be paid to your estate, unless a beneficiary is on record with us under the Policy.
- Benefits may be payable longer than shown above as long as you are still Totally Disabled, subject to the Maximum Duration of Benefits, as shown on the Schedule of Benefits page.
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WORK INCENTIVE AND CHILD CARE BENEFITS

WORK INCENTIVE BENEFIT

During the first twenty-four (24) months of Total Disability for which a Monthly Benefit is payable, we will not offset earnings from Rehabilitative Employment until the sum of:

- (1) the Monthly Benefit prior to offsets with Other Income Benefits; and
 - (2) earnings from Rehabilitative Employment;
- exceed 100% of your Covered Monthly Earnings. If the sum above exceeds 100% of Covered Monthly Earnings, our Benefit Amount will be reduced by such excess amount until the sum of (1) and (2) above equals 100%.

CHILD CARE BENEFIT

We will allow a Child Care Benefit if:

- (1) you are receiving benefits under the Work Incentive Benefit;
- (2) your Child(ren) is (are) under 14 years of age;
- (3) the child care is provided by a non-relative; and
- (4) the charges for child care are documented by a receipt from the caregiver, including social security number or taxpayer identification number.

During the 24 month period in which you are eligible for the Work Incentive Benefit, an amount equal to actual expenses incurred for child care, up to a maximum of \$250.00 per month, will be added to your Covered Monthly Earnings when calculating the Benefit Amount under the Work Incentive Benefit.

Child(ren) means: your unmarried child(ren), including any foster child, adopted child or step child who resides in your home and is financially dependent on you for support and maintenance.

RELIANCE STANDARD
Life Insurance Company

Home Office: Chicago, Illinois
Administrative Office: Philadelphia, Pennsylvania

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